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INTERVIEW WITH JOE FERNANDEZ

Date: 24 January 1986

Present: Cole Black and [REDACTED]

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[The first hour of the interview was devoted to ensuring that Fernandez understood his right to remain silent, and that he was going to speak voluntarily without any promises or commitments from the Agency. He raised an interesting issue in regard to "contempt," specifically, could he be held in contempt of Congress if it were determined that he had violated one of his acts (opposed to refusing to testify). As with all questions raised relating to the possibility of illegality or associated penalties, we responded that they were unclear in this case, and that he had to assume that there was some risk of self-incrimination. After carefully weighing his decision, Fernandez said that he wanted to provide the details of all activities he had been involved in. At that point, he raised the issues of privileged communication in regards to Ambassador Tambo.] We responded that these would both be considered before anything he told us was released outside of the Agency. With that, he began his narrative.]

I arrive in San Jose as Chief of Station on 2 July 1984.

In early August...about the first week, a conference was held with the [other chiefs of station] together with the DCI, the DDO, Dewey Clarridge and Ollie North. SouthCom presented the usual overview briefings. [Each of the COS's] gave presentations for the DCI and DDO.

This was the first time I met North....He approached me at a cocktail party and asked if I had had any contact with John Hull. I responded, "No, but [REDACTED] had [REDACTED] and [REDACTED] I also knew that [REDACTED] had. North said, "Take good care of him because he has a close friend in the White House." I said, "Who?" He said, "The President...and he also has lots of other friends in Washington." I just didn't believe him. The President knew personally one of my station's assets! That was a new experience. As an aside, John Hull had been very helpful to us on Pastora, when we had been providing assistance. We had been using him for FI...used his airfield for drops, etc.

Later in a private session with the DCI, he asked, "What is the name of that fellow up near the border who helps Pastora?" I responded, "John Hull," and proceeded to describe him as a "John Wayne" type, a true patriot. The rest of the conversation went something like this, "Well, take good care of him because I know about him." This lent credibility to North's comment. In my mind, then, I had the idea that Hull was a special person.

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I was always very careful about Hull. I treated him with kid gloves. But by the summer of '86, he was getting too involved with the press. In spite of his previous contributions, I wanted to do with him, so I terminated him...for operational reasons.

Sept 1984: The President of Costa Rica was faced with growing scandals relating to his administration. He named Benigno Piza as Public Security Minister.

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Jan '85: McFarlane visited. He met with the President, the Vice President and various Ministers, including Piza. He was accompanied by North and Fiers. They discussed the Nicaraguan problem.

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Spring '85: Ambassador Curtain Winsor departed. In the spring or early summer, the Sandinistas attacked a Costa Rican Civil Guard squad in Costa Rica. This was a "watershed." Throughout the year there were constant problems of the Sandinistas shelling across the border. The Resistance was constantly getting caught transporting arms by the Civil Guard and the Rural Guard. It was a high point of exasperation. He was blaming the U.S. and, by extension, the CIA...and, by extension, Joe Fernandez. We were trying to keep the Southern Front viable. We had no control over Pastora. (My last personal contact with him had been in August '84.) We tried to keep him from politically attacking the rest of the Resistance. It was hopeless. As he became more erratic, I distanced myself from him. The Costa Ricans were yelling at me for something I couldn't do anything about.

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Then Pastora kidnapped 15 or 20 "Peaceniks"...sometime in the Summer of '85, and took the group into Nicaragua. I took lightly...he was always doing crazy things...I knew he would never have harmed them. But HQS was frantic. They called with an urgent request for information. I called Pastora at his home...."O.K., I'll give the order for them to be

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released"....I subsequently found out from Ollie that the White House had convened...that committee that is activated every time there's a highjacking. I said, "Why didn't y'all ask us! It happened at the time." I was surprised that Washington took such an interest. We had a much larger problem that no one was paying attention to.

July 1982 Ambassador Tambs arrives. About that time, 300 people under Chamorro moved into Nicaragua because of my consular appeals. This solved some of our problems. But there was a growing [Sandinista] military threat to the west and east of him. I knew it wasn't possible for him to remain there for long. I tried to get him to move further north...on the other side of the country...were useless....In Tamb's first meeting he said that he had been given "a mission from the White House: create a Southern Front." That was "the single most important objective" he had.

Late summer or early fall: Tambs met with the President... Monge. He obtained an agreement that, if the Resistance could be forced to enter Nicaragua, Costa Rica would clandestinely support the resupply. Monge felt that this would diminish the risk to Costa Rican neutrality. [redacted] also served the U.S. objectives, first, to reduce the difficulties with the Costa Ricans; and, second, to get people back inside where they could fight. Piza was directed to work out the details [of resupply].

Tambs spoke to Piza. [redacted] Piza selected a place...on the western tip of Cabo Santa Elana...Potrero Grande. He said, "This is the place that could be used for eventual resupply of the Resistance." At this point, there was no thought of "private benefactors," or anyone else who would use it. Piza added another element: the place is also suitable for use by U.S. military aircraft if Nicaragua invades...under the Rio Treaty. "There's no other place which lends itself to large U.S. transport aircraft." Potrero Grande was inaccessible from the North and South...a series of canyons and mountains...natural protection...very defensible.

Tambs, about that same time, introduced me to Rob Owen, whom he described as "a friend of Ollie's who has contacts with various Resistance groups." He was the most knowledgeable person about what the people in the Resistance were doing! I told you about him last time. He had contacts on the working level...had been at it since 1982. He also had contacts with John Hull. I told that Hull considered him his "surrogate son." I heard that he was being paid by some foundation in Washington, but I never knew where he got his money from. It was from Tambs that he was a close friend of North's, and to Costa Rica it was to find out things for North. Several times for breakfast before he was flying.

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Throughout, I never tasked him. I wanted to know what he was finding out for background. I didn't want any surprises. I never prepared an ops or intelligence report. Subsequently, I heard--on the paper--that he was carrying funds for Hull's assistance. (I've heard that Hull manages property for several senators...Durenburger, Quale...and others in Washington.) I'm not sure that's true. I never asked. He never volunteered. I knew that he [Hull] was spending personal funds. CBN, the Christian Broadcast Network, sent a boatload of money to a Pacific coast port in John Hull's name. That's the only instance I know of that he got outside support.

After [redacted] visited Potrero Grande, he asked me to take a look at [redacted] I didn't want to go. I told him that I didn't know anything about that kind of stuff. He insisted. I talked to the Ambassador and he asked me to go...and to take Rob. Piza designated a Civil Guard colonel as his "field man"...Col. Jose Montero...and put a helo at our disposal. Rob took pictures, from the air and on the ground...walked it...sketched it...paced it off. I understand that he delivered that information to North. I don't think he told me that. I think I heard it somewhere else.

Around the Fall of '85...I don't recall exactly. It was after Owen had visited the site. Asst. Secretary Elliot Abrams was named as Asst. Secretary for Latin America. Shortly thereafter, he came to Costa Rica. He told Tams that he wanted to meet me. I went to his hotel room with two of my case officers. [redacted]

At one point, Abrams says, "Tell me about 'Point West'." I don't know where the term came from. I think it was a White House term. I said, "What are you talking about?" He said, "That airstrip." I flipped out and said, "Mr. Secretary, as far as I know, there were only five people in this country that know about it...now there are eight." He said, "We all know about it in Washington." I said, "Who?" He said, "Fiers...North." I was very upset. It was apparently being discussed back in Washington and I hadn't been cut in. Anyway, I gave him a briefing on it. It was clear to me at that point that the RIG...the Regional Intelligence Group was doing the planning. That was the point at which I learned that there was senior, official knowledge. [Why hadn't you notified HQS?] It was the Ambassador's initiative. I felt comfortable with that. It wasn't my idea. I wasn't responsible for it.

Fall '85: This is when I really started getting involved with North on Potrero Grande. It was owned by a man named Hamilton. He owned a textile factory in Costa Rica and in North Carolina. This information was conveyed by [redacted] North. He was to contact Sen. Helmes, or someone, his staff, to find out if the guy was reliable. I told Tams that I

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wanted an agreement that there would be no Nicaraguan presence at the strip...for operational security reasons. He agreed to that...so did Piza. In fact, Piza made that one of his conditions that it would become an official site of the Ministry of Security, manned and guarded by the Civil Guard. The cover story to be that it was a Civil Guard training site...an alternate to the smaller strip an... Murcielago...farther north and unprotected from a Nicaraguan invasion. So, it became known as "Murcielago II" among us. Those in Washington kept referring to it as "Point West."

I can recall exactly how I met Quintero. I believe it was over the green line here, not the PRT-250. I had talked to him. He said he was sending Robert Olmstead, a "person of confidence," to negotiate a private lease with Hamilton. North asked me to contact Olmstead and brief him on the situation in Costa Rica. (Olmstead is a CPA...a former marine who served with North. During combat he was shot in the head and lost an eye. I also understood from North that he was doing this voluntarily...without pay.) I subsequently learned that it was a protracted negotiation. Hamilton wanted a lot...a access road constructed...The cover for the negotiations was that a group of wealthy American investors wanted to lease the property for a resort....Hamilton ultimately had some doubts about exactly whom Olmstead represented....Tambs called Hamilton and gave him his personal assurances. Hamilton then worked out an agreement. Olmstead's firm, Udahl Resource Corp., purchased the property. The down payment was \$50,000...it included several 100 acres, plus a ranch house....

The property is bordered north and south by national parks...actually one park, split by this property. Part of the agreement was that the activity wouldn't upset the ecological balance...it even protected sea turtle eggs. The idea was to put in a 3,000-foot strip, with a smaller strip up in the mountains by the ranch....North advised me that Quintero was coming down and would be responsible for construction. Quintero hired Montero to be the "contractor." Quintero even agreed that Montero could farm the arable land. Montero brought down two engineers....I never met them. Quintero paid them. He once told me that Montero was ripping him off.

— Work started on the strip in late '85 and continued until early '86. In discussing the airstrip with Tambs and North, it was North's intention to use it for resupply aircraft out of El Salvador. Those that couldn't make it roundtrip, would stop at Protero Grande and refuel...and fly back. There were a lot of construction delays...probably engineered by Montero to cost more money. The rainy season came. There was one problem with aviation gas drums. "Avgas" is a controlled substance in Costa Rica because of the drug traffic....The drums were flown

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in from Ilopango and dropped on the uncompleted strip. (They were still there when it was discovered by the press.) I have no idea where the money came from. I assumed the construction was being funded by the RIG.

One time in July, there was a flight from Ilopango with no knowledge. They hit bad weather and had to land at Potrero Grande. Quintero was in San Jose. He called me to his hotel. He said, "I was told not to tell you, but we tried to run a flight and had to abort. We ran into trouble and had to land at Potrero Grande." I was so upset, I was shaking. I couldn't see the situation because the new Costa Rican President had just cancelled the construction. He said, "Worst than that, the aircraft is stuck in the mud." I told him to get that aircraft the hell out of Costa Rica! It took him two days. That was the last time anyone was at the strip as far as I know.

Let me go back...I was here in the Fall of '85...in Allen Fier's office. He said, "Do you know that an airstrip is being built in northwest Costa Rica?" I said, "Sure," and told him about Tambs, Abrams....He said, "O.K., just so you know"....It's as though no one expected me to report on it....Let me repeat...I handled no money. I never met the engineers. I had nothing to do with the construction.

The idea was that the Maule [a small aircraft] would shuttle from the main strip up to the small strip by the ranch house....Also, in the future, it could be used for exfiltration and infiltration. North at some point told me that he expected the Agency to take over the strip when funding became available. He never told me who he discussed that with.

Nov '85: About six Commanders, nominally aligned with Pastora south of the Rama Road in southern Nicaragua, linked up with FDN forces north of the Rama Road. They signed an agreement to cooperate in the field, regardless of the political affiliation of their groups. That was important to us! It showed that what couldn't be accomplished by Pastora could be accomplished by the Commanders out of tactical necessity. But in the November-December period, they were running out of supplies. The Commanders had to tell many of their men to return to their homes and wait until supplies became available. They did receive some supplies from the FDN, but not much. By late December, they couldn't hold out any longer. Pastora's Commanders made it back to San Jose and asked to meet with us....There were a series of meetings. I was finally able to persuade them that they should leave Pastora, unite with Chamorro, and re-enter. We were expecting funding to be approved by Congress in March...and then in April. They saw the advantages and signed a political agreement in January '86. They name Negro Chamorro their leader. We called them

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"NAC's"--newly aligned commanders--to distinguish them from Pastora....From that point Pastora's political influence declined....We also convinced Negro Chamorro to leave that marshy area of the lake. His people moved north...around the lake to Costa Rica.

So, there was no coming in March...or in April. I can't recall when the humanitarian flights started coming in.

North or possibly Quintero--said around April that they could deliver large amounts of supplies to the Southern Front. So the plane came there with a flight...an L-100. During that time I had flight support. You remember all that that I still had hopes.

In February '86, a new Costa Rican president was elected...not inaugurated until April. Piza though he would be supported in his activities.

Sometime in December '85, Piza asked for "one thing...I would like to meet the President...President Reagan." I conveyed that to Ollie. He said, "O.K." One of us told Piza and his wife, with me and my wife, saw the President on 19 March...at 0930. North lead us into the Oval Office. We were the President, Poindexter, and Regan....We had no photo opportunity....The wives left. Piza, North and I went into the area outside of Poindexter's office.

Piza and I met with Poindexter about 20 minutes...I'm not sure if North was present. Most of the conversation was about Costa Rican problems...views of the new President...all political-military stuff. There was no reference to resupplying the Resistance, or to the airstrip. I don't think there had yet been a PB delivery.

As we came out of Poindexter's office, North told Piza that a man by the name of Richard Secord wanted to meet with him. I did not know the name. He said that Quintero would accompany him, and that they would meet at Piza's hotel...The Four Seasons. Piza asked me to accompany him....It seemed to me that Piza had fully expected to meet someone. I said, "It looks like something's been going on that I don't know about." Piza said, "It's about the airstrip." We met in Piza's room. Piza said to Secord, "I'm very concerned about how we're going to cover this airstrip"....Then Piza dictated what a letter from Udahl Research Corp to him should say. Secord wrote down word for word. It was very precise. Secord said, "I'll get a letter to you this afternoon." I don't know if it was done, but when we got back to Costa Rica, Piza said, "I'll get the letter and it's going in my personal file." [The letter was signed by Olmstead]....My impression of Secord was all

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negative. I nicknamed him "dickhead." Ollie would get very upset when I called him that. He'd say, "Don't say that."

The inauguration was on May 8th. A group came down from Washington and told Abrams that President Arias was very reticent about the strip. Abrams said that we'll have to "squeeze his balls" to get tough with him. That day \$40M was released. I turned to Abrams and said, "There's always the balance" and laughed.

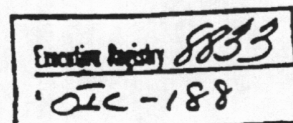
The question of Arias' reticence...after he was elected, but before the inauguration, Tambs briefed Arias and his brother about the airstrip and other things we were doing. He said, "If you want to keep the Resistance out of Costa Rica, they'll have to be expelled." Arias said, "I'll have to think about that." Subsequently, at lunch, I briefed them about our [] Tambs raised again the airstrip. The President asked me what I thought about it. I said, "Mr. President, the U.S. Government is not involved in the construction of that strip...is not providing the funds"....I knew it had to be coming from private funds because there were no U.S. funds available for it.

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The President and I hit it off well. He didn't get along so well with Tambs....It was the third week in May...he called me for a meeting. Tambs told me to go ahead....The Minister of Government and the Minister of Public Security--no longer Piza--were there. Their names aren't important. It was in the President's study. He reviewed the whole situation and finally said, "Now, I'm not going to permit that airstrip to be used." I said, "I understand." I asked him to keep a presence of Civil Guard on the property until the fuel drums could be removed. I informed Tambs of what had been said. He asked me to inform Ollie.

After that, they had a change of heart. It was in June...all the Ministers met...Tambs attended. Several Ministers said, "We need the strip for its original purpose...to defend Costa Rica." Tambs only presented the argument for keeping it. There was no "pressure," as has been reported in the press. (I may have told Fiers about this verbally.) But it still did not carry the day.

Three months later--there were no guards--poachers got on the property and word got out that it's a Contra training facility. I reported this to HQS. The Ministers questioned me about it. About a week later, our agents said that the new Ministry of Public Defense is going to make public that the airstrip was to have been used for training the Contras. There was a lot of Leftist pressure. The rationale was to expose it and let the press see nothing there....I contacted North--Tambs was out of the

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country. Allen called me back. [How soon after your call to North?] Within an hour. He called me from his home. He wanted me to contact the President's brother and tell him to "put a lid on it". He also said that Abrams had been informed and was to contact Tambs in North Carolina. I was concerned about the President....The next call I got...Allen called and asked if I'd contacted the brother yet and I said, "No." He said, "You'll be hearing from the Ambassador because Abrams told me to contact the President and tell him to put a lid on it." Tambs called me and said he had. Six or seven weeks later, the Minister sent a force up there and explained to the press that there was nothing there...and showed them Piza's letter.

About the air deliveries...other than what I told you before....It looks like the first may have been May, rather than April. There may have been one in June, but I'm not sure if that one was lethal or humanitarian. It may have been the 8th or 9th....For the early ones, I asked for a "hostile risk" from HQS. On two occasions...on later flights, they actually landed at Santa Maria Air Field...the major international airport in Costa Rica. When they landed they were empty....I don't know which two flights it was.

One other thing...this is a peculiar area. In late July I was at HQS. We were faced with another "life or death" situation in the South. I told Allen the situation. He told me to go to [redacted] to see if the FDN could do something for the Southern Forces. I did travel at Allen's direction. I talked with [redacted] I said, "Will you see if you can help?" They never gave me an answer. We never received any supplies...and I never heard anything more about it again.

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The last flight was 23 September. We were hoping for another and never got it. The last PB flight was Hassenfus. That one wasn't for us. It was for the FDN north of the Rama Road. I was never told about it. I've had no contact with Raphael [Quintero] since that day. I spoke with North just once...one minute before the President announced that he was being dismissed. We were on the phone and he said, "I've got to go." We sat there and watched it on TV.

[In response to questions re communications and the relationship between supply drops and military activity:] The drops were to guerrilla groups throughout the area. Their level of operations were directly dependent on their level of supplies. The PB's would advise me that they were ready for a flight. I would advise the Commanders. They would look for a secure area and say something like, "We have control over the area of the [Parrot's Beak] and can secure it for a few days." I'd relay that to Quintero. He would set the flight then call me and tell me what the cargo was and how many bundles. I

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would relay that a flight was coming in...everything but the nature of the cargo and the number of bundles. After the drop, they would radio in an inventory.

I used [redacted], the open phone and the KL-43...I just found [redacted] its name. I got it in late '85. Quintero delivered it. [redacted] had gotten [redacted] from North. He had [redacted] tapes too! Mine didn't have a printout capability. [Did HQS know you had it? After a very, very long pause:] Yes. [redacted] visited San Jose before [redacted] became Div Chief [April '86]. I told him that I was in communication with North and told him about the commo gear. He said that he wasn't clear about the situation...that he didn't [redacted] that he'd look into it and let me know. It was [redacted] that the was unsure as to how to handle it. After that [redacted] call [re Hassenfus], I asked [redacted] what to do with it [mid-October]. He said to give it back to North. I was going to give it to him when he came down for Thanksgiving. I didn't want to send it through the mails. So I brought it out in December and left it in [Miami]..in a plain box at my Mother's house. [Did [redacted] mention it at the May conference?] No. The May meeting centered on our communication problems between the South and Salvador. Nothing was said about communications with Ollie.

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I was always reactive! On a couple of instances, I was specific about their needs because I had the info...straight intelligence reporting. I was not active. I got the information, then relayed it: "Can you resupply?" It was always, "NO." Then in September, he informed me, "We're ready for frequent flights."

[Re any planning or command role:] There was one message in which he [North] asked me how I could see the eventual development of the Southern Front...There are three main groups of non-indian, non-indigenous forces. The idea was to resupply them so they could link up....A "carrot" concept: drop ahead of them and make them go and get the supplies. But this was for our later resupply...when we were permitted to resupply them. They still haven't come to pass.

We never talked strategy with the Commanders. They are really autonomous. Planning is done in the field on a day-to-day basis.

I didn't "plan" resupply operations. It was, "Let me know when." I was always re-acting...it was always a survival thing. I communicated with Quintero about specific flights. With North, it was more general: "Can't you do anything?"

I heard the name "Gadd" associated with resupply. [redacted] the impression that Ollie didn't control Gadd-- [redacted] control Secord. He could only ask....I don't [redacted] Secord.

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name being used in connection with the resupply effort...only
in regard to the airstrip...on that one occasion.

[Other who ha to North and himself, Fernandez doesn't know

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CITE SAN JOSE

TO: DIRECTOR INFO

WNINTEL RYBAT

SUBJECT: OSCAR ARIAS' DESIRE TO EXPEL [REDACTED] FROM COSTA
 RICA AND RELATED BORDER ISSUES

1. ACTION REQUIRED: NONE FV

2. [REDACTED] REPORTED THAT
 COSTA RICAN PRESIDENT-ELECT OSCAR ((ARIAS)) SANCHEZ TOLD
 17 FEB 86 THAT HE WOULD LIKE TO HAVE [REDACTED] REMOVED
 FROM COSTA RICA. ARIAS ALSO STRESSED THAT HE WANTS TO CLEAR
 FULLY THE ENTIRE BORDER AREA OF ANTI-SANDINISTA ACTIVITY.
 ARIAS WANTS NO ANTI-SANDINISTA ACCESS WHATSOEVER TO COSTA RICAN
 TERRITORY AT BORDER.

3. [REDACTED] DISINFORMATION PEDDLER TONY ((AVIRGAN)) [REDACTED]
 CONTACT WITH CARLOS ((ROJAS)), A COLLABORATOR IN DRAFTING OF
 "LA PENCA, REPORT OF AN INVESTIGATION". ROJAS IS COSTA RICAN
 FRIEND OF KEY AVIRGAN/MARTHA ((HONEY)) MYSTERY WITNESS "DAVID,"
 WHO CONVENIENTLY FOR AVIRGAN AND HONEY IS EITHER DEAD OR
 DEPARTED. AVIRGAN [REDACTED] WANTS TO BRING "CORONEL FLACO"
 FROM NEW ORLEANS TO COSTA RICA TO MEET WITH ARIAS TO REINFORCE
 ARIAS' PREDILECTION FOR THE CONTINUATION OF PRESIDENT MONGE'S
 NEUTRALITY. AVIRGAN TOLD [REDACTED] THAT HE DID NOT KNOW
 CORONEL FLACO'S TRUE NAME, BUT THAT HE COULD REACH HIM BY
 PHONE. REPORTEDLY A MERCENARY INVOLVED WITH ANTI-SANDINISTAS
 IN HONDURAS, FLACO IS SUPPOSEDLY WILLING TO COME TO COSTA RICA
 IF SOMEONE WILL ONLY PAY HIS TRAVEL EXPENSES.

4. AVIRGAN ADDED THAT HE WOULD LIKE TO TAKE ROJAS TO
 CONGRESS TO TESTIFY ON THEIR ALLEGED [REDACTED] AND EDW
 INVOLVEMENT IN LA PENCA TERRORIST ATTACK. ROJAS [REDACTED]
 IS VERY CONVINCING [REDACTED] ESTIMATION. [REDACTED] ROJAS CITING MULTIPLE THREATS
 FEARS FOR HIS LIFE. AVIRGAN WANTS [REDACTED] ASSISTANCE IN OPENING
 DOOR TO ARIAS. [REDACTED] INSTRUCTED [REDACTED] TO DO NOTHING TO ASSIST
 DISINFORMATION PEDDLERS AVIRGAN AND HONEY OR LACKEYS SUCH AS
 ROJAS. IN CONCLUSION, AVIRGAN AND HONEY CONTINUE TO PROMOTE

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SANDINIST INTERESTS. SINCE THERE WAS NO INVOLVEMENT
IN THE PENCA BOMBING, VIRGAN'S REPEATED EFFORTS TO
ESTABLISH SUCH INVOLVEMENT, IN SPITE OF THE EVIDENCE TO THE
CONTRARY, THAT HE MUST HAVE UNCOVERED, INDICATES STRONGLY THAT
HE IS A SANDINISTA AGENT.

END OF MESSAGE

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11 JAN

Questions for Joe Fernandez
(First Interview)

1. Is it true that you had two series of contacts with the "public" at Ilopango: one consisting of contacts on 8 April, 24 May, 18 June and 9 July in which you passed some mission support ("vector") data received from HQS that had been requested by UNO/South; the other consisting of specific air drop info you received from Ilopango (Rafael Quintero) for passage to UNO/South on six occasions in September?

ANS: Does not recall the specific dates, but confirmed the activity in the report to HPSCI is as accurate as he can remember. "I can't confirm the April date. For every three attempts there were two aborts. I think there was one in April...there may have been one in July...nothing else until September....I recall only two having actually taken place."

2. Did you have any other contacts with Quintero, anyone else at Ilopango, or anyone else associated with Contra supply activities in 1986?

ANS: The only PB he had contact with was Quintero, and only on the occasion of the resupply flights.

3. [We've been told that (LA) and Fiers (C/CATF) learned, while attending a regional conference in May, that you had been passing data relating to air drops between the PB's and UNO/South, and that you were told to cease such activity.] Were you told to cease this activity? What was said to you specifically? What was your understanding of the types of activities that directive encompassed? What specific activities had precipitated this directive? (Anything other than passing info to Ilopango on 8 April?)

ANS: "I told them I had had contacts for the purpose of passing information....We discussed the problem of the lack of a secure commo link between the PB's and the troops in-country. Everyone agreed that the problem had to be resolved for the Southern Forces, as a part of our approved activity to provide secure communications--we had \$3 million for that! I can remember something like, 'We've got to stop this because it could be construed as providing military assistance.' We tried to resolve the problem by putting a UNO/South communicator up there, but the Salvadorians didn't want any more Nicaraguans up there....I finally asked

to get a visa. We got it. Then I received a cable that we couldn't facilitate placing a communicator up there. How in the hell could they get him up there without our assistance? So the whole thing fell apart....So I took it upon myself to pass the information. They have received nothing since

Executive Registry 8820
107-15

358

September 23rd when the private benefactors flew their last flight--even after we were enabled to do it! They're losing combatants everyday....The flights came. Everybody knew there was no contact. I'm fully responsible....[What specific direct contact is improper...we have to fix it.]"

4. HQS again responded to UNO/South requests for mission data which you had forwarded on 24 May, 18 June and 9 July, how did people at HQS think this information was to be passed to Ilopango? Had you given them any indications that the problem between UNO/South and the FDI had been resolved, or that you had any reasons other than passing the data directly? ANS: I had no idea. We were looking for a way to get a communication. HQS knew that he wasn't up there!"

5. When HQS notified you on 12 July that you could not legally facilitate the assignment of a UNO/South communicator to San Salvador, what was the source of its belief at the time that that UNO/South had already placed a communicator in San Salvador "on its own."

ANS: [] now says that he thought the problem had been fixed. There was apparently a disconnect between him and Fiers. I don't know what they assumed." (b)(3)

6. Why did you pass air resupply information from Quintero to UNO/South on the six occasions in September? Did you have any reason to believe that this was not contrary to Agency policy or specific guidance you had received?

ANS: "It was the moral and humanitarian thing to do. I had put together a coalition of Southern Front commanders, and forged an alliance that HQS had been trying to do for years....It was a political coalition, but it committed them to military action. Their political leaders promised them assistance....Here are those people--inside now for nine fucking months--who only had what they could steal...and they were being decimated....I did report every single delivery detail...on each occasion."

7. When you told Fiers during his visit in late Oct or early Nov [which was it?] about your contacts with Ilopango, what was his reaction?

ANS: "I think it was October. I told him about the Tico Times article....[What was his reaction...surprise, anger...was he upset?] I don't recall him being upset about it."

8. Which San Jose [] were involved with the Southern Front or other Contra activities during 1985-86? Where are they currently stationed?

ANS: "None of them in '85." (b)(1) (b)(3) C

Executive Registry 8821

OIC-1F3

9. Describe your professional and personal relationship with Ollie North. Detail all of your contacts with him in 1985-86. How did you communicate with him? What "back channels" did you use?

ANS: Numerous contacts in Washington...when I was up here...the secure phone...concerning the Costa Rican/Nicaraguan situation...all political and military matters...Personally...we took a family vacation together...four or five days in Costa Rica. Our kids are good friends of his. They were really upset when all this broke. We became good friends over the past three years....He wanted to know what their condition was...the state of supplies, morale...our 'intels.' But he said it was better to get...[Did he ever task you directly...ask you to do...for him?] It might have been something like, 'Find out what their condition is. Are they getting beat up?' But no specific directed activity....[How did you communicate with him?] The KY-71 primarily...the all-agency secure line....I had another system that North gave me for evenings and weekends when the KY-71 wasn't up...a commercial system made by TRW. It operated with daily changed cassettes produced by NSA."

10. Did you ever communicate with Casey through "back channels"? Did you ever communicate with Mr. Casey directly in any way?

ANS: "That's bullshit in the Times! I never said anything like that....Ambassador Tams was constantly saying that he had close connections with the DCI and North....The only time I saw the DCI was when he visited the Station on the 18th and 19th of November...when we met in private in my office. He asked me about my career. We talked about my next assignment....That was the only time I was with him alone."

11. Detail your contacts with Gen. Secord in 1985-86. [The N.Y. Times reported that Secord traveled to Costa Rica in 1986 for "secret meetings to help set up the covert supply network.] Were you involved? If not, what do you know about it?

ANS: "No. He never came to Costa Rica. I think they've confused him with Singlaub."

12. What contacts did you have with North and Secord?

ANS: None. Except when North came to the Station on his visit and briefed the entire Station...He and his wife actually stayed with me. His kids stayed with me."

Executive Registry 8822

OTC-194

13. Describe Ambassador Tambs' relationship with the Contras. What was your working relationship with him?

ANS: "None...other than meeting with the political leaders on occasion. [I] had no contacts with the military command [relations] were excellent. He was the [12th man']

14. Did you ever have any contact with Robert Owen? (Described as a former contract employee of the NHAO--State's Nicaraguan Humanitarian Assistance Office, and an active participant in Contra support.)

ANS: "Tambs introduced him to me in his office. He came to Costa Rica on mission. He met with Tambs and me...to brief us on...He was always very interesting and useful. [I] had contacts we couldn't have. He had great rapport with Pastora's men...an excellent background...very smart. Once he went with NHAO, I no longer had to be careful about what I said...or worry about tasking him. Because he had credibility with some of the commanders, he could tell them to ignore the pricks [mercenaries and arms dealers] who were always screwing things up down there....He brought us good intelligence."

15. Did you ever have any contact with Felix Rodriguez, the infamous "Max Gomez." (Identified by Hasenfus as playing a central role in coordinating Contra resupply activities at Ilopango.)

ANS: "The last time was in [] at HQS instructions."

16. Did you ever have any contact with Adolfo Calero? (Head of FDN)

ANS: "Constantly. [] and [] brought him out....We met several times during 1986 in Miami...when we had conferences." (b)(3)

17. Detail your contacts with Alfonso Robelo (head of one Southern Front faction) in 1985-86.

ANS: []

18. What do you know about the construction and use of the Potrero Grande ("point west") airfield? What was the extent of your involvement?

ANS: "It was a Costa Rican initiative...to put in a training activity to be used if Costa Rica was invaded by Nicaragua. Subsequently, we thought it would be good for resupply. But it was never completed. It was a good idea in a bad location...and at the wrong time....I only monitored its development."

Executive Registry 823

'OIC-185

SECRET

19. Have you ever had any contact with Gen. Singlaub?

ANS: "I met him only once...in Tamb's office, at his invitation...early 1986. The purpose was to hear his proposal for a recon between the U.S. and Pastora. I told him that he was out of time." [He went on to describe the incident in detail.]

20. Have you ever had any contact with John Hull? (Described as an "American farmer" who owns six ranches in Costa Rica; and who has been assisting the Contras, including meeting with Calero in Miami.)

[ANS: He was a contact of the Station]...an FI asset. It started before I got there. I terminated him in the Summer of 1985 after the commanders went inside. He was a solid citizen...extremely helpful. He took in a lot of wounded...debriefed them. He gave us a unique window into the morale of the people...there sense of loyalty."

21. Have you ever had any contact with Tom Posey? (Described as an "Alabamian...who heads a Contra support group called Civilian Material Assistance.)

ANS: "Never met him. I don't think he was ever in Costa Rica."

22. Were you either directly or indirectly involved in any support to the Contras in 1985-86? If not we have not already discussed?

ANS: "The only thing I did was pass flight information on the 10 occasions...nothing else."

23. What do you know about the sources of Contra funding during 1985-86?

ANS: "Absolutely nothing. We were totally shocked at Meese's and the President's statements on TV. North never said a single thing to me about that."

24. How much of your time as COS is taken up by the Contra program? Do you have the resources you need to do the job...to meet the expectations of HQS? Have you gotten the kind of support and leadership you need from HQS? From [] From Fiers?

ANS: : About 60%...mostly political... []

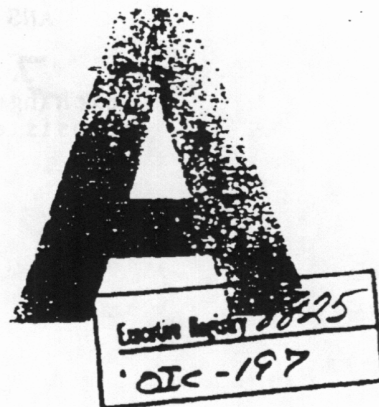
[]...No one ever has enough. []...Yes, we've had a very open exchange...lots of understanding...no complaints. It's been consistent throughout....A very intimate, close relationship."

Executive Registry 8824
CIC-196

25. Were you at any time uncertain about Agency policy regarding contact with the PB's or the specific directions you had received? (ANS: "No...I ain't dumb!") Do you have any reason to think that you were expected or encouraged to provide support to the Contras in spite of the "official" direction? (ANS: "That's a bullshit question. I won't ever do that...never.") Do you have any reason to believe that you are becoming a scapegoat? (ANS: That can't be ascertained....Now, that's not true on the manual. I was absolutely guiltless on that one!")

26. Do you think that even Agency--management has become too conservative in running out its covert action programs? Has risk-taking become a lost art? Can you have a successful covert operation without going right to the edge...without stretching the letter of the law?

ANS: "I have doubts about the viability of paramilitary covert action....I'm not sure we can ever do it again...."



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NAKES

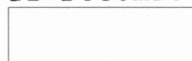
Central Intelligence Agency



Washington, D.C. 20505

SFR
Sen Kerry

22 December 1987



(b)(3)

The Honorable John F. Kerry
Chairman
Subcommittee on Terrorism, Narcotics,
and International Operations
Committee on Foreign Relations
United States Senate
Washington, D.C. 20510

Dear Senator Kerry:

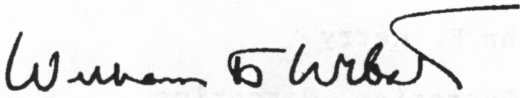
I welcomed the opportunity to meet with you and discuss your concerns about John Hull and your request for assistance in the Subcommittee's narcotics investigation. This is the kind of open and unencumbered exchange that I believe we must have between the Agency and Congress. Following the meeting, I directed that my staff conduct an in-depth review of the issues which arose during our discussions and report back to me. The Agency is prepared to assist you and your Subcommittee's investigation and will provide you with reporting on drug smuggling prepared by the Directorate of Intelligence prior to the commencement of your hearings.

Concerning John Hull, I can assure you that he is not receiving any support from the Agency, and we have no reason to believe that any other element of the United States Government is supplying such support. As you will recall, you were briefed on John Hull on 15 October 1986 following the Hasenfus crash. My staff is prepared to provide you with an update if you wish.

We are both aware of the findings made during the various Iran/Contra investigations. I believe that further comment on Hull's activities is appropriately left to the Department of Justice and Judge Walsh's office, which may shed additional light on the activities about which you are concerned. I can assure you, however, consistent with Executive Order 12333, that no Agency asset is ever instructed or encouraged to lobby Congress or to attempt to influence United States public opinion. If John Hull did in fact engage in these activities, including any personal criticism of you, it was strictly at his own initiative and certainly was not sanctioned by the Agency at any time. At the same time, I am certain that you understand that in the final analysis we cannot stop any private United States citizen who is determined to speak to members of Congress or the media.

Finally, I want to assure you once again that you will enjoy this Agency's fullest possible cooperation during the course of the Subcommittee's investigation.

Sincerely yours,



William H. Webster
Director of Central Intelligence

Distribution:

- Original - Addressee
- 1 - Executive Registry

(b)(3)
- 1 - DDO
- 1 - D/OCA
- 1 - DDL/OCA
- 1 - General Counsel
- 1 - [redacted]

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- 1 - DD/SA/OCA

(b)(6)
- 1 - OCA Registry
- 1 - PS/Signer
- 1 - OCA/Leg/Subject File
- OCA/Leg/[redacted]

(17 December 1987)

(b)(3)

(mailed 23 December 1987)

(b)(6)

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Response to Senator Kerry on John Hull Matter

FROM:

Acting Director of Congressional Affairs

EXTENSION

NO.

DATE

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Deputy Director for Operations	18 Dec 57	Bjo	
2.			
3. Deputy Director of Central Intelligence	19 Dec	RC	
4.			
5. Director of Central Intelligence	2/18		
6.			
7. Forward to Acting Director of Congressional Affairs			
8.			
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(b)(3)

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(b)(3)

17 December 1987

NOTE FOR: Director of Central Intelligence
THRU: Director of Congressional Affairs
FROM: Deputy Director for Legislation
SUBJECT: Response to Kerry Letter Concerning John Hull

As a result of your recent meeting with Senator Kerry on the John Hull matter and his followup letter of 1 December, we have prepared the attached response in coordination with the Directorate of Operations. Kerry apparently prefers an unclassified response so we have prepared the letter accordingly. While it probably won't completely satisfy him, we have tried to make the letter as helpful as possible under the circumstances.

Kerry is very anxious to receive this letter before the Senate adjourns at the end of the week. This is why he attempted to contact you by telephone today. We have advised Kerry's staff that we would make every effort to get our response to him by that time.

Attachment
as stated

Distribution:

Original - Addressee
1 - Executive Registry
1 - DDO
1 - D/OCA
1 - DDL/OCA
1 - DD/HA/OCA
1 - OCA/Leg/Subject File
1 - OCA/Registry
OCA/Leg, [] (17 December 1987)

(b)(3)
(b)(6)

Central Intelligence Agency

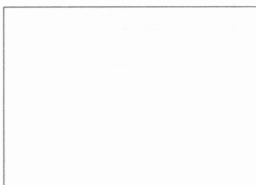


Washington, D. C. 20505

17 December 1987

NOTE FOR: Deputy Director for Operations
FROM: Deputy Director for Legislation
Office of Congressional Affairs
SUBJECT: Response to Kerry Letter Concerning John Hull

This response was prepared in coordination with the
Central American Task Force.



(b)(3)
(b)(6)

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
5	DDI		X		
6	DDA				
7	DDO		X		
8	DDS&T				
9	Chm/NIC		X		
10	GC		X		
11	IG				
12	Compt				
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14	D/PAO				
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SUSPENSE		Date			

Remarks D/OCA will have response prepared for CI signature.

Executive Secretary
7 Dec 87
Date

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OFFICE OF CONGRESSIONAL AFFAIRS
Routing Slip

	ACTION	INFO
1. D/OCA		X
2. DD/Legislation		X
3. DD/Senate Affairs	X	
4. Ch/Senate Affairs		
5. DD/House Affairs		X
6. Ch/House Affairs		
7. Admin Officer		
8. Executive Officer		
9. FOIA Officer		
10. Constituent Inquiries Officer		
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SUSPENSE 14 DEC 37
Date

Action Officer:

Remarks:

(b)(3)
(b)(6)

7 DEC 37
Name/Date

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JAMES P. LUCIER, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

December 1, 1987

The Honorable William H. Webster
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Judge Webster:

Thank you for taking the time to meet with me this afternoon to discuss my concerns about the activities of John Hull and our investigation of the narcotics problem.

As I indicated in the meeting, over the last several weeks I have personally reviewed the Iran-Contra Report, many of the depositions taken by the Select Committee, depositions and testimony taken by the Foreign Relations Committee, and a variety of related materials.

This review led me to conclude that John Hull worked as an asset of the U.S. intelligence community for a long period of time. During that period, Hull did a variety of things inconsistent with his status. He lobbied Congress on a number of occasions, interfered with an ongoing Congressional investigation, delivered false affidavits to the U.S. Attorney in Miami and the Senate Ethics Committee, and engaged in a campaign of public defamation directed at me.

The materials further suggest that these actions were known to and coordinated by Mr. Hull's government handlers. Moreover, there is credible evidence that Mr. Hull continues to operate along the same lines under the protection of guards supplied indirectly by the United States Government.

You said that you would investigate the issues and report back to me, and further, that you would explore ways in which the public record on this issue could be clarified.

Your staff assistant said that from time to time, CIA agents and assets lobbied Congress, but that when that lobbying occurred it was at the request of a member and that the Intelligence Committee was informed.

Your willingness to investigate the situation and report back is greatly appreciated.

DCI
EXEC
REG


In my view, a complete report would tell me: whether Hull is currently under the protection of the United States Government, if so who is paying for it and why; when Hull lobbied the Congress, what the issues he lobbied for were and who was informed of his activities; whether the false affidavits he sent to the U.S. Attorney were with the knowledge or at the direction of any employee of the intelligence community; as well as any information you are aware of regarding John Hull's effort to discredit the Congressional investigation into the private aid network and narcotics trafficking.

As I discussed, it is my belief that the best way to clear the public record would be for you to issue a public statement acknowledging the impropriety of Hull's behavior while he was your asset and outlining the steps you have taken to correct the situation and insure that there will be no similar problems in the future.

Needless to say, the entire episode raises serious Constitutional questions. The legislative branch, or a member thereof, as a matter of law, should not be the target of intelligence activities. I know you are well aware of and committed to the need to keep the intelligence community from interfering with any investigation of its improprieties. As the facts have shown, my investigation in the Spring and Summer of 1986 was anything but frivolous and the interference with it which was manifest, raises as many questions as the underlying events.

Again, let me express my appreciation to you for meeting with me and my confidence that you will handle this problem appropriately and expeditiously.

Sincerely,


John F. Kerry
Chairman
Subcommittee on Terrorism,
Narcotics, and International
Operations

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Respectfully,

John F. Kennedy

President

Executive Order 11652

Operation

SECRET

ATTACHMENT

(b) (1)
(b) (3)SEQUENCE OF EVENTS*2 July 1984: Fernandez becomes Chief of Station, San Jose.Early August 1984: Fernandez meets Ollie North for the first time at a regional conference. In attendance are the DCI, DDO, Dewey Clarridge, station chiefs. Both North and the DCI--on separate occasions--raise the name of John Hull, advising Fernandez to "take good care of him."(b)(1)
(b)(3)September or October 1984: Costa Rican President Monge names Benjamin Piza as Minister of Public Security.January 1985: Bud McFarlane visits Costa Rica, accompanied by North and Allen Fiers. He meets with President Monge, the Vice President and various Ministers, including Piza.(b)(1)
(b)(3)July 1985: Ambassador Tambs replaces Ambassador Winsor. In his first meeting, Tambs announces that he has been given "a mission by the White House to create a united Southern Front." He went on to say that this was his "single most important objective."Late Summer/Early Fall 1985: Tambs meets with President Monge and obtains an agreement that Costa Rica will clandestinely support the resupply of the CONTRAS if they can be persuaded to enter Nicaragua. Piza is directed to work out the details of the resupply.Late Summer/Early Fall 1985: Piza selects Potrero Grande on the western tip of Cabo Santa Elena in northwest Costa Rica as the site for a resupply airstrip. "About the same time," Tambs introduces Fernandez to Rob Owen, whom he describes as "a friend of Ollie's who has contacts with various Resistance groups."

* These events represent primarily the recollections of Joe Fernandez, with some inputs from [redacted] Allen Fiers and Louis Dupart. Those which reflect direct communications between Lt. Colonel North and Fernandez or General Secord are based on material found in the files of North.

(b)(3)

APPROVED FOR RELEASE
DATE: OCT 2004

SF/RET

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Doc #772

SEC ~~BT~~

Late Summer/Early Fall 1985: Piza asks Fernandez to take a look at the Potrero Grande site. Fernandez resists because he is "not a PM'er"; but Tambs subsequently asks him to go, and to take Owen with him. Fernandez and Owen, accompanied Civil Guard Colonel Jose Montero (whom Piza had designated to be his "field man"), fly to Potrero Grande in a helo made available by Piza. [Owen "took pictures from the air and ground...walked it...sketched it...paced it off." Fernandez believes this material was then given to North.]

Fall 1985: Shortly after being named Assistant Secretary of State for Latin America, Elliot Abrams visits San Jose and asks to meet with Fernandez at his hotel. Fernandez goes, accompanied by [redacted] Abrams asks about "Point West" (Potrero Grande) and comments that North and Fiers "know all about it." [Fiers believes he first heard about the airstrip at a RIG (Restricted Inter-Agency Group) meeting in early 1986.] (b)(3)

Fall 1985: Tambs notifies North that Potrero Grande is owned by a man from North Carolina named Hamilton, the owner of a textile factory in Costa Rica. Tambs asks North to contact Senator Helms or someone on his staff to find out if "this guy is reliable."

Fall 1985: North calls Fernandez and tells him that he is sending Robert Olmstead, a "person of confidence," to Costa Rica to negotiate with Hamilton.

Fall 1985: During the negotiations for Potrero Grande, Hamilton becomes suspicious about whom Olmstead represents. Tambs calls Hamilton and gives him his "personal assurances." Olmstead's firm, Udahl Resource Corp., purchases the property. The down payment is \$50,000.

Late Fall 1985: North calls Fernandez and tells him that Rapheal Quintero is coming to Costa Rica and would be responsible for constructing the airstrip. Quintero hires Montero as "contractor." Montero selects two engineers and work on the airstrip begins.

Late Fall 1985: On a visit to HQS, Fernandez is asked by Fiers if he knows "that an airstrip is being built in northwest Costa Rica." [Fiers does not recall raising the subject until the spring when Fiers visited San Jose, at which time he cautioned Fernandez to make certain that his activities were legal.]

November 1985: Six of Pastora's Commanders link up with FDN forces in the vicinity of the Rama Road and sign an agreement to cooperate in the field.

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December 1985: Piza asks Fernandez if he could meet President Reagan. Fernandez relays the request to North.

Late December 1985: Out of supplies, and with most of their forces having been sent home, Pastora's Commanders return to San Jose and ask to meet with Agency representatives. With the promise of support, they agree to combine forces with Negro Chamorro. [It was anticipated at this time that Congress would release funds for the CONTRAS in early 1986.]

Late 1985: Quintero delivers a KL-43 to Fernandez which he has obtained from North.

January 1986: Pastora's former Commanders sign a political agreement with Chamorro, naming him as their leader. [The inducements were sharing immediately in the humanitarian aid, and then sharing in addition support once Congressional restrictions were lifted.]

February 1986: A new Costa Rican President (Arias) is elected.

19 March 1986: Piza and his wife, accompanied by Fernandez and his wife, meet the President in the Oval Office. Also present are North, Poindexter and Regan. Piza, Fernandez and North proceed to Poindexter's outer office where they encounter Fiers. Piza and Fernandez meet with Poindexter in his office. The conversation is about Costa Rica in general, with no mention of the airstrip or resupplying the CONTRAS. Leaving Poindexter's office, North tells Piza that he is to meet Richard Secord. Piza asks Fernandez to accompany him. Later that morning at The Four Seasons, Piza dictates a letter to Secord which is to be given to Piza as "cover" for the airstrip. [Upon returning to San Jose, Piza showed the letter to Fernandez which had been signed by Olmstead.]

(b)(1)
(b)(3)

8 April 1986: HQS receives a request from UNO/South, via Fernandez, for resupply flight routes for a C-123. HQS provides San Jose: entry points and checkpoints; true and magnetic course headings; speed and altitude data; drop zone approaches; weather data; air defense OB; and disposition of ground force units. [HQS was unaware of a commo problem between UNO/South and Ilopango at the time and assumed this info was being passed via the UNO/South Commo Center.]

9 April 1986: Fernandez is in contact with Quintero and is passing "current intelligence for drop crew."

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10 April 1986: Secord tells North he has "procured 90 55-gallon drums of av gas" and will move it to Protrero Grande between 15-17 April. [Construction of the airstrip was still in progress.]

12 April 1986: Fernandez reports to North that the air drop was "successfully completed in 15 minutes."

15 April 1986: North tells Fernandez that "a plane load of ordnance for your friends" was delivered to Ilopango the day before and asks, "When and where do you want this stuff?". North also asks if a UNO/South communicator had been placed at Ilopango and, if so, to have him coordinate with Quintero "so that we have things wired together."

April 1986: While visiting San Jose before becoming C/LA, [redacted] is told by Fernandez about the KL-43 and his communications with the PB's. [Fernandez stated that he also told [redacted] about his communications with North, but [redacted] disputes this. [redacted] also does not recall being told that the device had been supplied by NSA.]

2 May 1986: Secord tells North that "we have 20 men equipment from Aguacate," but that Fernandez has delayed the operation because of a "lack of boats for trip north by Indians."

Early May 1986: [redacted] Fiers attend a regional conference. In a private session with [redacted] and Fernandez, they discuss the former's relationship with the PB's at Ilopango. The discussion then turns to the problem that UNO/South has in communicating securely with either the PB's or UNO/FDN, and Fernandez' role in relaying communications for them. Everyone understands the Agency's policy regarding contacts with the PB's. It is agreed that the UNO/South communications problem has to be solved so that Fernandez can cease his contacts with the PB's. It is also agreed that the solution is to locate a UNO/South communicator at Ilopango. Fernandez is given this task for action.

8 May 1986: Arias is inaugurated. After the inauguration ceremony, Tambs tells Abrams that Arias has misgivings about the airstrip. Abrams responds, "We'll have to...get tough with him."

Late May 1986: Arias asks to see Fernandez and says, "I'm not going to permit the airstrip to be used." Fernandez informs Tambs, who asks him to pass the information on to North.

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24 May 1986: HQS receives a request similar to that of 8 April. HQS responds and COS San Jose passes the data to the PB's at Ilopango. [This resupply flight probably did not take place.]

28 May 1986: HQS provides the following guidelines to COS [redacted] (info San Jose [redacted]) regarding interactions with UNO/FDN and UNO/South: Station may provide advice and commo equipment, and may engage in intelligence exchange; Station may not provide materiel or monetary support. [Some have interpreted this cable as providing Fernandez guidance on his contacts with the PB's.]

2 June 1986: Secord tells North that "pursuant to request" from Fernandez, we are preparing to make two drops totalling about 39,000 lbs to Southern Front troops," and that the mission "may go as soon as this next weekend." He also says that Fernandez "has provided Ralph with some current intel but we still do not have radar predictions."

June 1986: A PB resupply flight diverts to Potrero Grande in bad weather. The aircraft becomes stuck. Quintero, who is in San Jose at the time, asks Fernandez to come to his hotel room where he tells him about the aircraft. Fernandez tells him to remove it immediately, and then delays a visit to Washington until he is assured that the plane is being removed. [Fernandez had not been aware of this flight since it was intended to resupply the UNO/FDN forces.]

6 June 1986: Secord tells North that "all aircraft out of mud and back at Ilopango....Half of munitions load also back at Ilopango and remainder will be picked up by Caribou today." He also describes the conditions at Potrero Grande, saying that the strip "will have limited utility during heavy rains," but that it "can still be used as divert base since highest 3,000 ft. is useable even during worst conditions." [From early June on, Fernandez did not believe the airstrip was useable and was not aware of any other aircraft landing there.]

16 June 1986: North notifies Fernandez that an FDN resupply flight is scheduled for the next day, but that it can be delayed for one night "to do your drop if we can get the necessary info for the pilots." He then says, "To facilitate, have asked Ralph to proceed immediately to your location."

18 June 1986: [Repeat 24 May entry.]

June 1986: [Fernandez recalls "one or two" resupply flights taking place in June but cannot recall whether they involved "lethal" or "humanitarian" cargo.]

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19 June 1986: Someone by the name of "Bob" notifies North that he had "talked w/SAT" [probably Southern Air Transport] but that "Bill" will not fly "the MSN" unless some insurance problems can be resolved. He goes on to say that if this problem cannot be resolved then "Bill" will only "fly goods to west [Protrero Grande]...via C-7." [Written by hand at the bottom of this message are the names "Carl Jenkins" and "Ferguson." Another notation reads, "Jenkins now in Costa Rica."]

30 June 1986: Fernandez tells North that "UNO south force deteriorated badly past 7 days," and requests "you come work with us." [This entry comes from the most recent dated message in OIG possession from the North files.]

9 July 1986: [Repeat 24 May entry.]

12 July 1986: Fernandez is notified that a review of Agency policy does not permit him to continue his efforts to place a UNO/South communicator at Ilopango. [Some have interpreted this cable as directing the COS San Jose to terminate his contacts with the PB's.] [redacted] questions the cable after it has been transmitted and is told that UNO/South had solved the problem itself. (b)(3)

5-6 September 1986: North learns that the new Minister of Public Security intends to call a press conference regarding the airstrip. North calls Fernandez and confirms. In a conference call between North, Tambs, Abrams and Fiers, it is decided to put pressure on Arias. Fiers calls Fernandez with instructions. The press conference is called off.

Prior to 8 September 1986: Quintero notifies Fernandez about a planned resupply mission, and Fernandez relays the information to the UNO/South. [Info received: A/C type; expected date and hour of air drop; primary and alternate drop zones; and number of bundles.]

8 September 1986: Following the exchange of flight information, there is a resupply mission for UNO/South. [This sequence of events was repeated on 11, 14, 17, 19 and 23 Sept.]

18 September 1986: San Jose Station issues its weekly intel report. Among other things, the report describes the first three September air drops for UNO/South.

24 September 1986: San Jose Station issues its weekly intel report. Among other things, the report summarizes the six September air drops of supplies for UNO/South.

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October 1986: []
 Carl Jenkins had been in Costa Rica. []

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b3-5

5 October 1986: When the Hausenfus flight is overdue, Fernandez receives "several telephone calls" from Quintero inquiring about a possible emergency landing or crash.

October 1986: After the downing of the Hausenfus aircraft, Fernandez asks [] what he should do with the KL-43 and is told to return it to North.

14 October 1986: In the aftermath of the Hassenfus affair, the DDO testifies before HPSCI that CIA was not involved "directly or indirectly in arranging, directing, or facilitating resupply missions conducted by private individuals in support of the Nicaraguan Democratic Resistance."

Late October 1986: Fiers, during a trip to San Jose, learns that a US reporter has information about telephone calls between Fernandez and the PB's. Fernandez describes his contacts with the PB's at Ilopango. [Upon his return, Fiers reported the matter to []]

b3

6 November 1986: Louis Dupart, the CATF Compliance Officer visits San Jose Station on other matters and learns for the first time about the Fernandez' contacts with the PB's since early April.

10 November 1986: [] meets with the DDO and reports on the activities of Fernandez. The DDO asks him to followup on the matter.

14 November 1986: A story appears in San Jose's Tico Times about telephone calls between a "safehouse" in San Salvador and a San Jose Embassy "private line," as well as the "unlisted" home phone of an Embassy "political and economic analyst."

26 November 1986: In a memo to the DDO regarding the Fernandez investigation, [] concludes that there has been no illegalities, but recommends an OGC review.

30 November 1986: The New York Times runs a story about the telephone calls between San Salvador and the "unlisted" number in San Jose.

4 December 1986: NBC broadcasts a report about the "unlisted" telephone number in San Jose.

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5 December 1986: HPSCI (Gisa) makes a telephonic request regarding the facts relating to the NBC allegations.

5 December 1986: Jameson and Dupart complete their analysis of the legislation in effect at the time of the contact with the PB's, and present it to the DDO. They conclude that the activities, although contrary to Agency policy, were not contrary to law. [The activities were intended to facilitate "authorized information-sharing," and can be distinguished from participation in "logistics activities" which were prohibited by law. The analysis concludes that the Intelligence Authorization Act of FY 86 permitted "advice on the effective delivery and distribution of material to the resistance." Furthermore, since "the Agency was authorized to pass such information directly to assist the UNO/FDN, it logically follows that the Agency has the legal authority to provide such information to the private benefactors for the same purpose."]

7 December 1986: Fernandez cables details of his September contacts with Ilopango to be included in the response to HPSCI.

9 December 1986: An interim response is sent to HPSCI.

10 December 1986: Fernandez is interviewed in Miami by Dupart and confirms the facts as known at that time.

14 December 1986: Fernandez is recalled for temporary service on a career panel.

29 December 1986: A final report is sent to HPSCI.

11 January 1987: OIG has its initial interview with Fernandez. [OIG subsequently learned that Fernandez had not been completely truthful in this interview, particularly about his part in the construction of Potrero Grande, his single contact with General Secord, and the extent of his relationships with North and Quintero.]

21 January 1987: The Tower Commission interviews Fernandez twice. After being confronted with copies of his messages to North in the second session, he describes his activities in much more detail. [OIG subsequently learned that, even in Fernandez' second session with the Commission, he failed to be completely truthful in regard to his contact with Secord.]

24 January 1987: OIG and Jameson interview Fernandez and he admits his previous evasions and untruths.

2 February 1987: OIG interviews Fernandez for the last time.

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